

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 083762
ORIGIN TRSE-00

INFO OCT-01 NEA-10 ISO-00 PCH-02 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
SS-15 USIA-06 EB-08 COME-00 OMB-01 STR-07 OPIC-03
XMB-02 CEA-01 FRB-03 SIG-03 /089 R

DRAFTED BY TREASURY:LESANTOS
APPROVED BY NEA/RA:SEPALMER,JR
NEA/ARP:JZIOLKOWSKI
-----073772 010935Z /64

P 010009Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA PRIORITY
AMEMBASSY MUSCAT PRIORITY
INFO AMEMBASSY ALGIERS PRIORITY
AMEMBASSY AMMAN PRIORITY
USINT BAGHDAD PRIORITY
AMEMBASSY CAIRO PRIORITY
AMEMBASSY TRIPOLI PRIORITY
AMEMBASSY RABAT PRIORITY
AMEMBASSY TUNIS PRIORITY
USLO RIYADH PRIORITY
AMCONSUL DHAHRAN PRIORITY
AMEMBASSY KUWAIT PRIORTY
AMEMBASSY DOHA PRIORITY
AMEMBASSY MANAMA PRIORITY
AMEMBASSY ABU DHABI PRIORITY
AMEMBASSY SANA PRIORITY
AMEMBASSY DAMASCUS PRIORITY
AMEMBASSY TEL AVIV PRIORITY
AMCONSUL JERUSALEM PRIORITY
AMEMBASSY BEIRUT POUCH

LIMITED OFFICIAL USE STATE 083762

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 083762

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: TREASURY VIEWS ON SAUDI/OMANI BOYCOTT LANGUAGE

REF: A) JIDDA 1521 (NOTAL); B) MUSCAT 363 (NOTAL)

1. REFTEL A ON NEW SAUDI LETTER OF CREDIT INSTRUCTIONS INDICATE THAT BILL OF LADING MUST STATE THAT VESSEL "IS OTHERWISE ELIGIBLE TO ENTER INTO THE PORTS OF THE KINGDOM OF SAUDI ARABIA IN CONFORMITY WITH ITS LAWS AND REGULATIONS."

2. THE USE OF QUOTED LANGUAGE IN BILL OF LADING OR OTHER DOCUMENTS INCORPORATED INTO A LETTER OF CREDIT MAY RESULT IN THE LOSS OF TAX BENEFITS FOR THE MANUFACTURER, EXPORTER, SHIPPER AND BANK IMPLEMENTING SUCH A LETTER OF CREDIT UNDER TREASURY DEPARTMENT INTERPRETATION OF SECTION 999 OF THE INTERNAL REVENUE CODE.

3. TREASURY DOES NOT REPEAT NOT REGARD SUCH LANGUAGE TO BE MATERIALLY DIFFERENT FROM STATEMENT THAT VESSEL IS NOT BLACKLISTED, AND REGARDS EITHER FORMULATION AS A FORM OF BOYCOTT PARTICIPATION OR COOPERATION WITHIN THE MEANING OF SECTION 999.

4. PARA 6, REFTEL B, REQUESTS GUIDANCE ON OMANI LETTERS OF CREDIT WHICH REQUIRE THAT BILL OF LADING STATE THAT THE CARRYING VESSEL IS NOT, INTER ALIA, "ON THE ARAB ISRAELI BOYCOTT LIST."

5. CITED LANGUAGE IS THE ONLY CLAUSE IN LETTER OF CREDIT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 083762

WHICH INVOLVES A RISK OF LOSING TAX BENEFITS UNDER TREASURY INTERPRETATION OF SECTION 999 OF THE INTERNAL REVENUE CODE. APPENDING A LIST OF ACCEPTABLE (NONBLACKLISTED) VESSELS (A WHITELIST) WOULD NOT REPEAT NOT AVOID THE RISK OF LOSING TAX BENEFITS.

6. FYI, TREASURY INTERPRETATION OF SECTION 999 DOES NOT ATTACH TAX PENALTIES TO LETTERS OF CREDIT WHICH REQUIRE THE PRESENTATION OF CERTIFICATES STATING THE IDENTITY AND NATIONALITY OF THE CARRYING VESSEL. COOPER

NOTE BY OC/T: POUCHED TO BEIRUT.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REGULATIONS, BOYCOTTS, SHIPS PAPERS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE083762
Document Source: CORE
Document Unique ID: 00
Drafter: LESANTOS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780141-1168
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197804103/aaaadjuo.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5c6835a6-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 JIDDA 1521, 78 MUSCAT 363
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2826132
Secure: OPEN
Status: NATIVE
Subject: TREASURY VIEWS ON SAUDI/OMANI BOYCOTT LANGUAGE
TAGS: ETRD, EWWT
To: JIDDA MUSCAT
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5c6835a6-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014